

NEW AND RENEWAL ISSUE**BOND ANTICIPATION NOTES**

In the opinion of The Law Offices of Jeffrey E. Storch, Bond Counsel, under existing law and assuming continuing compliance with certain covenants and the accuracy of certain representations, (i) interest on the Notes is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income, and (ii) interest on the Notes is exempt from personal income taxes imposed by the State of New York and political subdivisions thereof, including The City of New York and the City of Yonkers. Interest on the Notes may be subject to certain federal taxes imposed only on certain corporations, including the corporate alternative minimum tax on a portion of that interest. For a more complete discussion of the tax aspects, see "Tax Matters" herein.

The Notes will be designated or deemed designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

**VILLAGE OF SLEEPY HOLLOW
WESTCHESTER COUNTY, NEW YORK**
\$5,691,979
BOND ANTICIPATION NOTES, SERIES 2017A
(the "Notes")

Date of Issue: November 21, 2017**Maturity Date: November 21, 2018**

The Notes are general obligations of the Village of Sleepy Hollow, Westchester County, New York (the "Village"), and will contain a pledge of the faith and credit of the Village for the payment of the principal thereof and interest thereon and, unless paid from other sources, the Notes are payable from ad valorem taxes which may be levied upon all the taxable real property within the Village, subject to certain statutory limitations imposed by Chapter 97 of the Law of 2011. See "Tax Levy Limit Law," herein.

The Notes will not be subject to redemption prior to maturity.

At the option of the purchaser(s), the Notes will be issued in (i) registered form registered in the name of the successful bidder(s) or (ii) registered book-entry form registered to Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York ("DTC").

If the Notes are issued registered in the name of the successful bidder(s), a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on such Notes will be payable in Federal Funds by the Village to the registered owner(s).

If the Notes are issued in book-entry-only form, such Notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of \$5,000 or integral multiples thereof, except for an odd denomination of Notes which includes \$1,979. A single Note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on said Notes will be made in Federal Funds by the Village to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Village will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See "Book-Entry-Only System" herein.).

The Notes are offered subject to the final approving opinion of The Law Offices of Jeffrey E. Storch, New York, New York, Bond Counsel, and certain other conditions. Capital Markets Advisors, LLC has served as Municipal Advisor to the Village in connection with the issuance of the Notes. It is expected that delivery of the Notes in book-entry form through the offices of DTC in New York, New York or as otherwise agreed upon with the purchaser(s) will be made on or about November 21, 2017.

THIS OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE VILLAGE FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15C2-12, AS AMENDED (THE "RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER(S) AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. THE VILLAGE WILL COVENANT IN A CONTINUING DISCLOSURE AGREEMENT TO PROVIDE CONTINUING DISCLOSURE WITH RESPECT TO THE NOTES IN ACCORDANCE WITH THE RULE. SEE "COVENANT TO MAKE CONTINUING FINANCIAL DISCLOSURE" HEREIN.

DATED: October 30, 2017

**VILAGE OF SLEEPY HOLLOW
WESTCHESTER COUNTY, NEW YORK**

**Kenneth Wray
Mayor**

**Glenn Rosenbloom
Deputy Mayor**

BOARD OF TRUSTEES

Rachelle Gebler.....Trustee
Sam GonzalezTrustee
John Leavy.....Trustee
Denise Scaglione.....Trustee
Sandra Spiro.....Trustee

Anthony Giaccio Village Administrator
Sara DiGiacomo..... Village Treasurer
Paula McCarthy Tompkins Village Clerk
Clinton Smith, Esq.....Village Attorney

INDEPENDENT AUDITOR

**PKF O'Connor Davies, LLP
Harrison, New York**

BOND COUNSEL

**The Law Offices of Jeffrey E. Storch
New York, New York**

MUNICIPAL ADVISOR



**Capital Markets Advisors, LLC
Hudson Valley * Long Island * Southern Tier * Western New York
(845) 227-8678**

No dealer, broker, salesperson or other person has been authorized by the Village of Sleepy Hollow to give any information or to make any representations not contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information, estimates and expressions of opinion made herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Village of Sleepy Hollow since the date hereof.

TABLE OF CONTENTS

	<i><u>Page</u></i>		<i><u>Page</u></i>
THE NOTES	1	FINANCIAL FACTORS.....	A-5
Description	1	Budgetary Procedure	A-5
Authority for and Purpose of the Notes.....	1	Independent Audits.....	A-5
Book-Entry-Only System	3	Financial Reporting and Summary of Significant Accounting Policies	A-5
NATURE OF OBLIGATION	5	Investment Policy	A-5
Tax Levy Limit Law.....	6	Revenues	A-7
Real Property Tax Rebate.....	7		
SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT	8	REAL PROPERTY TAXES.....	A-9
MARKET FACTORS	11	Assessed and Full Valuations	A-9
THE STATE COMPTROLLER’S FISCAL STRESS MONITORING SYSTEM AND COMPLIANCE REVIEWS.....	11	Tax Collection Procedures	A-9
LITIGATION	12	Tax Rates.....	A-10
TAX MATTERS	12	Property Tax Limit	A-10
DOCUMENTS ACCOMPANYING DELIVERY OF THE NOTES.....	14	Largest Taxpayers	A-11
Legal Matters.....	14	VILLAGE INDEBTEDNESS	A-11
Closing Certificates	14	Constitutional Requirements	A-11
COVENANT TO MAKE CONTINUING FINANCIAL DISCLOSURE	15	Statutory Procedure	A-12
Continuing Disclosure Compliance History.....	16	Constitutional Debt-Contracting Limitation....	A-12
MUNICIPAL ADVISOR	16	Statutory Debt Limit and Net Indebtedness....	A-13
RATING	16	Bond Anticipation Notes	A-13
ADDITIONAL INFORMATION	17	Tax and Revenue Anticipation Notes	A-14
		Trend of Capital Debt.....	A-15
		Overlapping and Underlying Debt	A-15
		Debt Ratios.....	A-16
		Authorized But Unissued Debt.....	A-16
		Debt Service Schedule.....	A-16
APPENDIX A - THE VILLAGE			
THE VILLAGE	A-1	ECONOMIC AND DEMOGRAPHIC DATA	A-17
General Information	A-1	Population.....	A-17
Form of Government	A-1	Income	A-17
Services and Programs	A-1	Employment	A-17
Employees	A-2	Housing Data.....	A-18
Employee Benefits	A-2	Development Activities	A-19
Other Postemployment Benefits.....	A-4		
APPENDIX B - UNAUDITED SUMMARY OF FINANCIAL STATEMENTS AND BUDGETS			
APPENDIX C - LINK TO INDEPENDENT AUDITORS' REPORT FOR THE FISCAL YEAR ENDED MAY 31, 2016			

THIS PAGE INTENTIONALLY LEFT BLANK

OFFICIAL STATEMENT
VILLAGE OF SLEEPY HOLLOW
WESTCHESTER COUNTY, NEW YORK

relating to

\$5,691,979
BOND ANTICIPATION NOTES, SERIES 2017A
(the “Notes”)

This Official Statement, which includes the cover page and appendices attached hereto, presents certain information relating to the Village of Sleepy Hollow, Westchester County, in the State of New York (the “Village”, “County”, and “State”, respectively). It has been prepared by the Village in connection with the sale and delivery of \$5,691,979 Bond Anticipation Notes, Series 2017A (the “Notes”).

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State as well as the acts and proceedings of the Village contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof and all references to the Notes and the proceedings of the Village relating thereto are qualified in their entirety by reference to the definitive form of the Notes and such proceedings.

THE NOTES

Description

The Notes will be dated and will mature as reflected on the cover page hereof.

The Notes will not be subject to redemption prior to maturity. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in registered form either registered in the name of the successful bidder(s) or registered to Cede & Co, as the partnership nominee for DTC. If the Notes are registered in the name of the successful bidder(s), the Village will act as Paying Agent for the Notes. The Village contact information is as follows: Sara DiGiacomo, Treasurer, 28 Beekman Avenue, Sleepy Hollow, New York 10591, (914) 366-5144, e-mail: sdigiacom@sleepyhollowny.org.

Authority for and Purpose of the Notes

Authorization. The Notes are issued pursuant to the State Constitution and statutes of the State, including among others, the Village Law and the Local Finance Law (Chapter 33-a of the Consolidated Laws of the State) and in the bond resolutions adopted by the Board of Trustees of the Village as further set forth below. The Village anticipates amending several of the bond resolutions with respect to the Notes so that the plan of financing may utilize the maximum period of probable usefulness (at the discretion of the Village) prior to the long-term financing of the projects.

Purpose. The proceeds of the Notes, together with \$366,461 in other funds, will be used to redeem \$3,011,920 outstanding notes maturing November 22, 2017 and provide \$3,046,520 in new money financing, as further described in the table on the following page.

Original Issuance	Purpose	Currently Outstanding	Note Payment	New Money	Amount Of The Notes
11/26/13	Traffic Signals	\$ 220,000	\$ 31,518	\$ 0	\$ 126,072
11/26/13	Machinery	57,000	26,265	0	105,060
11/26/13	Vehicles	56,467	18,951	0	191,116
11/26/13	Fire-fighting Apparatus	53,000	9,478	0	95,582
11/26/13	Park Improvements	27,000	7,582	0	76,466
11/26/13	Settled Claim	14,709	4,059	0	76,198
11/26/13	Dell Street Improvements	13,448	10,926	0	43,705
11/26/13	Ambulance	10,506	2,657	0	49,873
11/26/13	Emergency Medical Services Study	10,506	2,657	0	49,873
11/26/13	Computer Improvements	10,506	2,657	0	49,873
11/26/13	Parking Meters	5,254	8,930	0	26,790
11/26/13	Parking Meters	4,204	1,019	0	30,499
11/26/13	Parking Improvements	3,283	6,212	0	24,850
11/24/14	Machinery	957,580	6,566	0	19,699
11/24/14	Motor Vehicles	127,343	1,328	0	24,937
11/24/14	Fire Fighting Apparatus	45,750	5,253	0	15,759
11/24/14	HVAC	26,920	5,253	0	15,759
11/24/14	Ambulance Equipment	25,282	1,063	0	19,949
11/24/14	Planning - Street Improvements	22,065	1,564	0	15,771
11/24/14	Park Equipment	19,960	1,422	0	14,337
11/24/14	Communications Equipment	14,300	248	0	15,511
11/24/14	Planning - Energy Improvements	9,645	239	0	14,964
11/23/15	2016 Chevy G-4500 Ambulance	210,067	6,514	0	6,514
11/23/15	Marine Fire Boat	105,060	567	0	5,107
11/23/15	Remote Cameras	84,048	53,620	0	903,960
11/23/15	Turf Replacement	80,257	42,447	0	84,896
11/23/15	Police Vehicle - 1	54,631	1,610	0	44,140
11/23/15	Park Upgrades	52,530	2,810	0	24,110
11/23/15	Dump Trucks w/Plow & Spreader (2)	52,530	8,428	0	16,854
11/23/15	F250 Pick-Up Truck with Plow	52,530	7,355	0	14,710
11/23/15	Electric Vehicle	35,720	1,120	0	18,840
11/23/15	Street Light Mechanisms	31,518	1,490	0	12,810
11/23/15	Chevy Equinox	31,062	3,215	0	6,430
11/23/15	Fleet Study	26,265	10,000	0	210,000
11/23/15	Fremont Pond Study and Remediation	26,265	3,000	0	54,000
11/23/15	Village Traffic Study	21,012	28,233	0	28,234
11/23/15	Office Cabinets	21,012	2,000	0	51,000
11/23/15	Mowers	21,012	2,000	0	25,000
11/23/15	Toughbooks, Computers, and Upgrades	17,335	7,354	0	7,355
11/23/15	HVAC Replacement	15,759	6,724	0	6,724
11/23/15	Charging Station for Electric Cars	15,759	5,253	0	5,253
11/23/15	Water Upgrade - Syphon Chamber	15,203	5,253	0	5,253
11/23/15	PD Policies	13,028	5,253	0	5,253
11/23/15	Motorola Minitor XI Pagers	5,674	2,626	0	2,628
11/22/16	Parking Meters	157,590	2,101	0	2,103
11/22/16	Vehicles	131,325	1,641	0	1,642
11/21/17	Tower Ladder Truck	0	0	1,059,005	1,059,005
11/21/17	Pipe Relining – Water	0	0	525,300	525,300
11/21/17	Beekman Sidewalks/Lighting	0	0	341,445	341,445
11/21/17	27Yd Automated Sanitation Truck	0	0	231,132	231,132
11/21/17	Remount 73-B2 Box/Chasse	0	0	130,459	130,459
11/21/17	8Yd Sanitation Chase Truck	0	0	110,313	110,313
11/21/17	Various Equipment -Pagers, Radios, etc.	0	0	65,663	65,663
11/21/17	One (1) Police Vehicle	0	0	63,036	63,036
11/21/17	Riverside Walk/Statue Island	0	0	63,036	63,036
11/21/17	Replace 2 Chief Vehicles (Tahoes)	0	0	57,783	57,783
11/21/17	Water Consolidation Study	0	0	57,783	57,783
11/21/17	License Plate Reader & PC	0	0	46,226	46,226
11/21/17	LWRP Planning Study	0	0	46,226	46,226
11/21/17	Traffic Control Devices	0	0	36,771	36,771
11/21/17	Senior Center Upgrades	0	0	31,518	31,518
11/21/17	Replace Air Pack Bottle Cylinders (26)	0	0	30,441	30,441
11/21/17	Village Hall Computer Upgrades	0	0	26,266	26,266
11/21/17	New Tank for Sewer Jet	0	0	21,012	21,012
11/21/17	Devries Park Pavilion – Roof & Painting	0	0	15,759	15,759
11/21/17	Can Tippers (2)	0	0	15,759	15,759
11/21/17	Trash & Recycling Receptacles (30)	0	0	15,759	15,759
11/21/17	Paddle Tennis Court Improvements	0	0	13,700	13,700
11/21/17	New Camera System	0	0	11,556	11,556
11/21/17	Replace Entry, Garage Doors & Motors	0	0	10,506	10,506
11/21/17	Devries Park Snack Bar	0	0	10,506	10,506
11/21/17	Mobile Data Terminal	0	0	5,253	5,253
11/21/17	Replace Keri Door System	0	0	4,307	4,307
		<u>\$ 3,011,920</u>	<u>\$ 366,461</u>	<u>\$ 3,046,520</u>	<u>\$ 5,691,979</u>

Book-Entry-Only System

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Notes if issued as book-entry-only Notes. Such Notes will be issued as fully-registered notes registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered note certificate will be issued for each note bearing the same rate of interest and CUSIP and deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of each actual purchaser of each note (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the notes within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC’s Money Market Instruments (MMI) Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Village as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Village, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Village, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the Village. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

The Village may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Village believes to be reliable, but the Village takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company

THE INFORMATION CONTAINED IN THE ABOVE SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SAMPLE OFFERING DOCUMENT LANGUAGE SUPPLIED BY DTC, BUT THE VILLAGE TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF. IN ADDITION, THE VILLAGE WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO: (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY PARTICIPANT OR ANY INDIRECT PARTICIPANT; (II) THE PAYMENTS BY DTC OR ANY PARTICIPANT OR ANY INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, OR PREMIUM, IF ANY, OR INTEREST ON THE NOTES OR (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO NOTEOWNERS.

THE VILLAGE CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE NOTES (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE VILLAGE WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR REDEMPTION PREMIUM ON THE NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE NOTES.

NATURE OF OBLIGATION

Each Note when duly issued and paid for will constitute a contract between the Village and the holder thereof.

Holders of any series of notes or bonds of the Village may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such series of notes or bonds.

The Notes will be general obligations of the Village and will contain a pledge of the faith and credit of the Village for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the Village has power and statutory authorization to levy ad valorem taxes on all real property within the Village subject to such taxation by the Village, subject to certain statutory limitations imposed by Chapter 97 of the Law of 2011. See “Tax Levy Limit Law,” herein.

Although the State Legislature is restricted by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay “interest on or principal of indebtedness theretofore contracted” prior to the effective date of any such legislation, the New York State Legislature may from time to time impose additional limitations or requirements on the ability to increase a real property tax levy or on the methodology, exclusions or other restrictions of various aspects of real property taxation (as well as on the ability to issue new indebtedness). On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the “Tax Levy Limit Law”). The Tax Levy Limit Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

Under the Constitution of the State, the Village is required to pledge its faith and credit for the payment of the principal of and interest on the Notes and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the Village’s power to increase its annual tax levy with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. See “Tax Levy Limit Law,” herein.

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State’s highest court, in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), as follows:

“A pledge of the city’s faith and credit is both a commitment to pay and a commitment of the city’s revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City’s “faith and credit” is secured by a promise both to pay and to use in good faith the city’s general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, “faith” and “credit” are used and they are not tautological. That is what the words say and this is what the courts have held they mean...So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the City’s power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted...While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded”.

In addition, the Court of Appeals in the Flushing National Bank case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of political subdivisions in New York State.

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank Court noted, the term “faith and credit” in its context is “not qualified in any way.” Indeed, in Flushing National

Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977), the Court of Appeals described the pledge as a direct constitutional mandate. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, “with respect to traditional real estate tax levies, the noteholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations.” According to the Court in Quirk, the State Constitution “requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness.”

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. In the event that an appropriating authority were to make an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

In Quirk v. Municipal Assistance Corp., the Court of Appeals described this as a “first lien” on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in New York State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

While the courts in New York State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

Tax Levy Limit Law

On June 24, 2011, the Tax Levy Limit Law was signed into law by the Governor of the State. The Tax Levy Limit Law applies to all local governments, including school districts (with the exception of New York City, Yonkers, Syracuse, Rochester and Buffalo). It also applies to independent special districts and to town and county improvement districts as part of their parent municipalities’ tax levies.

The Tax Levy Limit Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. It expires on June 15, 2020, unless extended. Pursuant to the Tax Levy Limit Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index (“CPI”), over the amount of the prior year’s tax levy. Certain adjustments would be permitted for taxable real property full valuation increases or changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law (resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are permissible exceptions to the tax levy limitation provided in the Tax Levy Limit Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees’ Retirement System, the Police and Fire Retirement System, and the Teachers’ Retirement System. (See “Employment Benefit Plans” herein). Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality, prior to adoption of each fiscal year budget, must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for each fiscal year.

The Tax Levy Limit Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation debt of municipalities or such debt incurred after the effective date of the Tax Levy Limit Law (June 24, 2011).

Therefore, while the Tax Levy Limit Law may constrict an issuer's power to levy real property taxes for the payment of debt service on debt contracted after the effective date of the Tax Levy Limit Law, it is clear that no statute is able (1) to limit an issuer's pledge of its faith and credit to the payment of any of its general obligation indebtedness or (2) to limit an issuer's levy of real property taxes to pay debt service on general obligation debt contracted prior to the effective date of the Tax Levy Limit Law. Whether the Constitution grants a municipality authority to treat debt service payments as a constitutional exception to such statutory tax levy limitation outside of any statutorily determined tax levy amount is not clear.

It is likely that the Tax Levy Limit Law will be subject to judicial review to resolve the constitutional issues raised by its adoption. Although courts in New York have historically been protective of the rights of holders of general obligation debt or political subdivisions, the outcome of any such legal challenge cannot be predicted.

Real Property Tax Rebate

Chapter 59 of the Laws of 2014 ("Chapter 59") includes provisions which provided a refundable personal income tax credit to real property taxpayers in school districts and certain municipal units of government. Real property owners in school districts were eligible for this credit in the 2014 and 2015 taxable years of those property owners. Real property taxpayers in certain other municipal units of government were eligible for this credit in the 2015 and 2016 taxable years of those real property taxpayers. The eligibility of real property taxpayers for the tax credit in each year depended on such jurisdiction's compliance with the provisions of the Tax Levy Limitation Law. School districts budgets must have complied in their 2014-2015 and 2015-2016 fiscal years. Other municipal units of government must have had their budgets in compliance for their 2015 and 2016 fiscal years. Such budgets must have been within the tax cap limits set by the Tax Levy Limit Law for the real property taxpayers to be eligible for this personal income tax credit. The affected jurisdictions included counties, cities (other than any city with a population of one million or more and its counties), towns, villages, school districts (other than the dependent school districts of New York City, Buffalo, Rochester, Syracuse and Yonkers, the latter four of which were indirectly affected by applicability to their respective city) and independent special districts.

Certain additional restrictions on the amount of the personal income tax credit were set forth in Chapter 59 in order for the tax cap to qualify as one which would have provided the tax credit benefit to such real property taxpayers. The refundable personal income tax credit amount was increased in the second year if compliance occurred in both taxable years.

For the second taxable year of the program, the refundable personal income tax credit for real property taxpayers was additionally contingent upon adoption by the school district or municipal unit of a state approved "government efficiency plan" which demonstrated "three year savings and efficiencies of at least one per cent per year from shared services, cooperation agreements and/or mergers or efficiencies".

Municipalities, school districts and independent special districts were required to provide certification of compliance with the requirements of the new provisions to certain state officials in order to render their real property taxpayers eligible for the personal income tax credit.

While the provisions of Chapter 59 did not directly further restrict the taxing power of the affected municipalities, school districts and special districts, they did provide an incentive for such tax levies to remain within the tax cap limits established by the Tax Levy Limit Law. The Village complied with the provisions of Chapter 59 and its taxpayers received the rebates provided in 2015 and 2016.

An additional real property tax rebate program applicable solely to school districts was enacted by Chapter 20 of the Laws of 2015, signed into law by the Governor on June 26, 2015, which generally extends the provisions of the program through 2019 and includes continued tax cap compliance.

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

General Municipal Law Contract Creditors' Provision. The Notes when duly issued and paid for will constitute a contract between the Village and the holder thereof. Under current law, provision is made for contract creditors of the Village to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the Village upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Notes in the event of a default in the payment of the principal of and interest on the Notes.

Execution/Attachment of Municipal Property. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the Village may not be enforced by levy and execution against property owned by the Village.

Authority to File For Municipal Bankruptcy. The Federal Bankruptcy Code allows public bodies, such as counties, cities, towns and villages, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness.

The State has consented that any municipality in the State may file a petition with the United States District Court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness. Subject to such State consent, under the United States Constitution, Congress has jurisdiction over such matters and has enacted amendments to the existing federal bankruptcy statute, being Chapter 9 thereof, generally to the effect and with the purpose of affording municipal corporations, under certain circumstances, with easier access to judicially approved adjustment of debt, including judicial control over identifiable and unidentifiable creditors.

No current state law purports to create any priority for holders of the Notes should the Village be under the jurisdiction of any court, pursuant to the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness.

The rights of the owners of Notes to receive interest and principal from the Village could be adversely affected by the restructuring of the Village's debt under Chapter 9 of the Federal Bankruptcy Code. No assurance can be given that any priority of holders of debt obligations issued by the Village (including the Notes) to payment from monies retained in any debt service fund or from other cash resources would be recognized if a petition were filed by or on behalf of the Village under the Federal Bankruptcy Code or pursuant to other subsequently enacted laws relating to creditors' rights; such monies might, under such circumstances, be paid to satisfy the claims of all creditors generally.

Under the Federal Bankruptcy Code, a petition may be filed in the Federal Bankruptcy court by a municipality which is insolvent or unable to meet its debts as they mature. Generally, the filing of such a petition operates as a stay of any proceeding to enforce a claim against the municipality. The Federal Bankruptcy Code also requires that a plan be filed for the adjustment of the municipality's debt, which may modify or alter the rights of creditors and which could be secured. Any plan of adjustment confirmed by the court must be approved by the requisite number of creditors. If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it.

State Debt Moratorium Law. There are separate State law provisions regarding debt service moratoriums enacted into law in 1975.

At the Extraordinary Session of the State Legislature held in November, 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of The City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such City of its faith and credit for the payment of obligations.

As a result of the Court of Appeals decision in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law, as described below, enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the Village.

Right of Municipality or State to Declare a Municipal Financial Emergency and Stay Claims Under State Debt Moratorium Law. The State Legislature is authorized to declare by special act that a state of financial emergency exists in any county, city, town or village. (The provision does not by its terms apply to school districts or fire districts.) In addition, the State Legislature may authorize by special act establishment of an “emergency financial control board” for any county, city, town or village upon determination that such a state of financial emergency exists. Thereafter, unless such special act provides otherwise, a voluntary petition to stay claims may be filed by any such municipality (or by its emergency financial control board in the event said board requests the municipality to petition and the municipality fails to do so within five days thereafter). A petition filed in supreme court in the county in which the municipality is located in accordance with the requirements of Title 6-A of the Local Finance Law (“Title 6-A”) effectively prohibits the doing of any act for ninety days in the payment of claims against the municipality, including payment of debt service on outstanding indebtedness.

This includes staying the commencement or continuation of any court proceedings seeking payment of debt service due, the assessment, levy or collection of taxes by or for the municipality or the application of any funds, property, receivables or revenues of the municipality to the payment of debt service. The stay can be vacated under certain circumstances with provisions for the payment of amounts due or overdue upon a demand for payment in accordance with the statutory provisions set forth therein. The filing of a petition may be accompanied with a proposed repayment plan which, upon court order approving the plan, may extend any stay in the payment of claims against the municipality for such “additional period of time as is required to carry out fully all the terms and provisions of the plan with respect to those creditors who accept the plan or any benefits thereunder.” Court approval is conditioned, after a hearing, upon certain findings as provided in Title 6-A.

A proposed plan can be modified prior to court approval or disapproval. After approval, modification is not permissible without court order after a hearing. If not approved, the proposed plan must be amended within ten days or else the stay is vacated and claims, including debt service due or overdue, must be paid. It is at the discretion of the court to permit additional filings of amended plans and continuation of any stay during such time. A stay may be vacated or modified by the court upon motion of any creditor, if the court finds after a hearing that the municipality has failed to comply with a material provision of an accepted repayment plan or that due to a “material change in circumstances,” the repayment plan is no longer in compliance with statutory requirements.

Once an approved repayment plan has been completed, the court, after a hearing upon motion of any creditor, or a motion of the municipality or its emergency financial control board, will enter an order vacating any stay then in effect and enjoining creditors who accepted the plan or any benefits thereunder from commencing or continuing any court action, proceeding or other act described in Title 6-A relating to any debt included in the plan.

Title 6-A requires notice to all creditors of each material step in the proceedings. Court determinations adverse to the municipality or its financial emergency control board are appealable as of right to the appellate division in the judicial department in which the court is located and thereafter, if necessary, to the Court of Appeals. Such appeals stay the judgment appealed and all other actions, special proceedings or acts within the scope of Section 85.30 of Title 6-A pending the hearing and determination of the appeals.

Whether Title 6-A is valid under the Constitutional provisions regarding the payment of debt service is not known. However, based upon the decision in the Flushing National Bank case described above, its validity is subject to doubt.

While the State Legislature has from time to time adopted legislation in response to a municipal fiscal emergency and established public benefit corporations with a broad range of financial control and oversight powers to oversee such municipalities, generally such legislation has provided that the provisions of Title 6-A are not applicable during any period of time that such a public benefit corporation has outstanding indebtedness issued on behalf of such municipality.

Fiscal Stress and State Emergency Financial Control Boards. Pursuant to Article IX Section 2(b)(2) of the State Constitution, any local government in the State may request the intervention of the State in its “property, affairs and government” by a two-thirds vote of the total membership of its legislative body or on request of its chief executive officer with concurrence by a majority of such membership. This has resulted in the adoption of special acts for the establishment of public benefit corporations with varying degrees of authority to control the finances (including debt issuance) of the cities of Buffalo, Troy and Yonkers and the County of Nassau. The specific authority, powers and composition of the financial control boards established by these acts varies based upon circumstances and needs. Generally, the State legislature has granted such boards the power to approve or disapprove budget and financial plans and to issue debt on behalf of the municipality, as well as to impose wage and/or hiring freezes and approve collective bargaining agreements in certain cases. Implementation is left to the discretion of the board of the public benefit corporation. Such a State financial control board was first established for New York City in 1975. In addition, on a certificate of necessity of the governor reciting facts which in the judgment of governor constitute an emergency requiring enactment of such laws, with the concurrences of two-thirds of the members elected in each house of the State legislature, the State is authorized to intervene in the “property, affairs and governments” of local government units. This occurred in the case of the County of Erie in 2005. The authority of the State to intervene in the financial affairs of local government is further supported by Article VIII, Section 12 of the Constitution, which declares it to be the duty of the State legislature to restrict, subject to other provisions of the Constitution, the power of taxation, assessment, borrowing money and contracting indebtedness and loaning the credit of counties, cities, towns and villages so as to prevent abuses in taxation and assessment and in contracting indebtedness by them.

In 2013, the State established a new state advisory board to assist counties, cities, towns and villages in financial distress. The Financial Restructuring Board for Local Governments (the “FRB”), is authorized to conduct a comprehensive review of the finances and operations of any such municipality deemed by the FRB to be fiscally eligible for its services upon request by resolution of the municipal legislative body and concurrence of its chief executive. The FRB is authorized to make recommendations, but cannot compel improvement of fiscal stability for management and delivery of municipal services, including shared services opportunities, and is authorized to offer grants and/or loans of up to \$5,000,000 through a Local Government Performance and Efficiency Program to undertake certain recommendations. If a municipality agrees to undertake the FRB recommendations, it will be automatically bound to fulfill the terms in order to receive the aid.

The FRB is also authorized to serve as an alternative arbitration panel for binding arbitration.

Although from time to time there have been proposals for the creation of a statewide financial control board with broad authority over local governments in the State, the FRB does not have emergency financial control board powers to intervene, unlike public benefit corporations established by special acts as described above.

Several municipalities in the State are presently working with the FRB. The Village has not applied to the FRB and does not reasonably expect to do so in the foreseeable future. School districts and fire districts are not eligible for FRB assistance.

Constitutional Non-Appropriation Provision. There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: “If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness.” This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See “General Municipal Law Contract Creditors’ Provision” herein.

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

Default Litigation. In prior years, certain events and legislation affecting a holder’s remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of noteholders, such courts might hold that future events including financial crises as they may occur in the State and in political subdivisions of the State, require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service. See “Nature of Obligation” and “State Debt Moratorium Law” herein.

No Past Due Debt. No principal of or interest on Village indebtedness is past due. The Village has never defaulted in the payment of the principal of and interest on any indebtedness.

MARKET FACTORS

The financial and economic condition of the Village as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the Village’s control. There can be no assurance that adverse events in the State and in other jurisdictions, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Notes. If a significant default or other financial crisis should occur in the affairs of the State or another jurisdiction or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the Village to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

There can be no assurance that the State appropriation for State aid to the Villages will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the Village can be paid only if the State has such monies available therefor. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the State budget and other circumstances, including State fiscal stress. In any event, State aid appropriated and apportioned to the Village can be paid only if the State has such monies available therefor. (See “State Aid” herein).

Should the Village fail to receive monies expected from the State in the amounts and at the times expected, the Village is permitted to issue revenue anticipation notes in anticipation of the receipt of delayed State aid.

If and when a holder of any of the Notes should elect to sell a Note prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Notes. In addition, the price and principal value of the Notes is dependent on the prevailing level of interest rates; if interest rates rise, the price of a note will decline, causing the noteholder to incur a potential capital loss if such a note is sold prior to its maturity.

Amendments to the U.S. Internal Revenue Code could reduce or eliminate the favorable tax treatment granted to municipal debt, including the Notes and other debt issued by the Village. Any such future legislation could have an adverse effect on the market value of the Notes (See “*Tax Matters*” herein).

The enactment of Chapter 97 of the Laws of 2011 on June 24, 2011, which imposes a tax levy limitation upon municipalities, school districts, including the Village, and fire districts in the State could have an impact upon operations of the Village and as a result, the market price for the Notes. (See “Tax Levy Limit Law,” herein.)

THE STATE COMPTROLLER’S FISCAL STRESS MONITORING SYSTEM AND COMPLIANCE REVIEWS

The New York State Comptroller has reported that New York State’s school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller (“OSC”) has developed a Fiscal Stress Monitoring System (“FSMS”) to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State’s school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district's ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "significant fiscal stress", in "moderate fiscal stress," as "susceptible to fiscal stress" or "no designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "no designation." This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity's financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The most current applicable report of the State Comptroller, dated September 27, 2017, designated the Village as "No Designation."

See the State Comptroller's official website for more information on FSMS. Reference to this website implies no warranty of accuracy of information therein.

The financial affairs of the Village are subject to periodic compliance reviews by OSC to ascertain whether the Village has complied with the requirements of various State and federal statutes. The last audit conducted by OSC was released on February 3, 2017. The purpose of the State's audit was to examine the Village's processes and procedures over cash receipts from parking violations for the period June 1, 2015 through June 30, 2016. The complete report can be obtained from OSC's official website (<http://www.osc.state.ny.us/index.htm>).

LITIGATION

The Village is subject to a number of lawsuits in the ordinary conduct of its affairs. The Village does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the Village. There is a pending notice of claim that was denied by the Village's insurance carrier at this stage. Subject to commercial reasonableness, the Village expects to contest the matter vigorously. Nevertheless, due to the early nature of the claim, the likelihood of an unfavorable outcome and the amount or range of potential loss could not be estimated by the Village's Attorney.

Certain property owners have filed certiorari petitions under Article 7 of the Real Property Tax Law. Such petitions allege that property values as presently determined are excessive and request assessment reductions and, in most actions, a refund of property taxes previously paid. According to the Village, the expected liability, if any, is not substantial. For the fiscal years ended May 31, 2016 and 2017 the Village paid \$89,385 and \$134,483 in tax certiorari refunds, respectively. For 2017-18, as of October 4, 2017, the Village has paid \$0- in refunds pursuant to tax certiorari claims.

TAX MATTERS

In the opinion of The Law Offices of Jeffrey E. Storch, Bond Counsel, under existing law: (i) interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income, and the Notes are "qualified tax exempt obligations" as defined in Section 265 (b)(3) of the Code; and (ii) interest on the Notes is exempt from personal income taxes imposed by the State and political subdivisions thereof, including The City of New York and the City of Yonkers. Bond Counsel will express no opinion as to any other tax consequences regarding the Notes.

The opinion on tax matters will be based on and will assume (without verifying) the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the Village to be contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Notes

are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of the Village's certifications and representations or the continuing compliance with the Village's covenants.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Notes from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by the Village may cause loss of such status and result in the interest on the Notes being included in gross income for federal income tax purposes retroactively to the date of issuance of the Notes. The Village has covenanted to take the actions required of it for the interest on the Notes to be and remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Notes, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Notes or the market prices of the Notes.

A portion of the interest on the Notes earned by certain corporations may be subject to a federal corporate alternative minimum tax. In addition, interest on the Notes may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain "S corporations" (as defined in Section 1361(a)(1) of the Code). Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these or other tax consequences will depend upon the particular tax status or other tax items of the owner of the Notes. Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Notes, are generally subject to IRS Form 1099-INT information reporting requirements. If a Bond owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress, and legislation affecting the exemption of interest thereon for purposes of taxation by the State may be considered by the State legislature. Court proceedings may also be filed the outcome of which could modify the tax treatment of obligations such as the Notes. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Notes, will not have an adverse effect on the tax status of interest on the Notes or the market value of the Notes. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or the repeal (or reduction in the benefit) of the exclusion of interest on the Notes from gross income for federal or state income tax purposes. As an example, in recent years Congress has proposed budgets that include additional federal income taxes on taxpayers that own tax-exempt obligations, such as the Notes, if they have incomes above certain thresholds.

These and other legislative proposals may be considered or introduced that could affect the market price of market ability of tax-exempt obligations, such as the Notes, and prospective purchasers of the Notes at other than their original issuance at the respective prices indicated on the cover of this Official Statement should also consult their own tax advisers regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

Bond Counsel's engagement with respect to the Notes ends with the issuance of the Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the Village or the beneficial owners regarding the tax status of interest on the Notes in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Notes, under current IRS procedures, the IRS will treat the Village as the taxpayer and the beneficial owners of the Notes will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Notes for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market prices for the Notes.

DOCUMENTS ACCOMPANYING DELIVERY OF THE NOTES

Legal Matters

Legal matters incident to the authorization, issuance and sale of the Notes will be subject to the final approving opinions of The Law Offices of Jeffrey E. Storch, New York, New York, Bond Counsel to the Village. Such opinions will be available at the time of delivery of and payment for the Notes and will be to the effect that the Notes are valid and legally binding general obligations of the Village for the payment of which the Village has validly pledged its faith and credit, and all the real property within the Village subject to taxation by the Village, is subject to the levy by the Village of ad valorem taxes, subject to certain statutory limitations imposed by Chapter 97 of the Laws of 2011, for the payment of the principal of and interest on the Notes, (see "**Tax Levy Limit Law,**" herein).

Said opinions will also contain further statements to the effect that, assuming continuing compliance with certain covenants and the accuracy of certain representations of the Village contained in the record of proceedings relating to the authorization and issuance of the Notes, (a) interest on the Notes is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income and the Notes will be qualified tax-exempt obligations as defined in Section 265(b)(3) of the Code, (b) interest on the Notes is exempt from personal income taxes imposed by the State and political subdivisions thereof, including The City of New York and the City of Yonkers, (c) interest on the Notes may be subject to certain federal taxes imposed only on certain corporations, including the corporate alternative minimum tax on a portion of that interest, (d) the enforceability of the Notes is subject to bankruptcy laws and other laws affecting creditor's rights and the exercise of judicial discretion, and (e) the scope of the engagement of The Law Offices of Jeffrey E. Storch, as Bond Counsel in relation to the Notes, has extended solely to rendering the opinions expressed in said opinion, that said law firm is rendering no opinion other than the opinions expressly stated therein, and that said law firm expresses no opinion on the accuracy or completeness of any documents prepared by or on behalf of the Village for use in connection with the offer and sale of the Notes.

Closing Certificates

Upon delivery of and payment for the Notes, the purchaser(s) of the Notes will also receive, without cost, in form satisfactory to Bond Counsel the following, dated as of the date of delivery of and payment for the Notes: (a) a certificate or certificates evidencing execution, delivery and receipt of payment for the Notes; (b) a certificate or certificates executed by the officer of the Village who executed the Notes on behalf of the Village stating that (1) no litigation is then pending or, to the knowledge of such officer, threatened to restrain or enjoin the issuance or delivery of the Notes, (2) no authority or proceedings for the issuance of the Notes has or have been repealed, revoked or rescinded, and (3) the statements contained in this Official Statement on the date hereof and on the date of delivery of and payment for the Notes, were and are true in all material respects and did not, and do not, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; (c) the unqualified legal opinions as to the validity of the Notes of The Law Offices of Jeffrey E. Storch, New York, New York, Bond Counsel, as more fully described under "Legal Matters" herein; (d) a Tax Compliance Certificate executed by the Treasurer of

the Village; and (e) a continuing disclosure agreement executed by the Treasurer of the Village for purposes of SEC Rule 15c2-12 (the "Rule"), as amended, as described under the caption "Covenant To Make Continuing Financial Disclosure" herein.

COVENANT TO MAKE CONTINUING FINANCIAL DISCLOSURE

This Official Statement is in a form "deemed final" by the Village for the purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule"). At the time of the delivery of the Notes, the Village will provide an executed copy of its "Undertaking to Provide Notices Certificate" (the "Undertaking"). Said Undertaking will constitute a written agreement or contract of the Village for the benefit of holders of and owners of beneficial interests in the Notes. In accordance with the requirements of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission"), the Village has agreed to provide or cause to be provided, for the benefit of the Beneficial Owners of the Notes, in a timely manner not in excess of ten (10) business days after the occurrence of the event during the period in which the Notes are outstanding, to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Notes:

- (a) principal and interest payment delinquencies
- (b) non-payment related defaults, if material
- (c) unscheduled draws on debt service reserves reflecting financial difficulties
- (d) in the case of credit enhancement, if any, provided in connection with the issuance of the Notes, unscheduled draws on credit enhancements reflecting financial difficulties
- (e) substitution of credit or liquidity providers, or their failure to perform
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determination of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices of determination with respect to the tax status of the Note, or other material events affecting the tax status of the Notes
- (g) modifications to rights of Noteholders, if material
- (h) note calls, if material and tender offers
- (i) defeasances
- (j) release, substitution, or sale of property securing repayment of the Notes, if material
- (k) rating changes
- (l) bankruptcy, insolvency, receivership or similar event of the Village
- (m) the consummation of a merger, consolidation, or acquisition involving the Village or the sale of all or substantially all of the assets of the Village, other than in the ordinary course of business or, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material

Event (c) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers, dated September 19, 1995. However, event (c) is not applicable, since no "debt service reserves" will be established for the Note.

With respect to event (d) the Village does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Notes.

The Village may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if the Village determines that any such other event is material with respect to the Notes; but the Village does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above or any failure to comply in a timely manner with the requirements of the Rule.

The Village reserves the right to terminate its obligation to provide the aforescribed notice of material events, as set forth above, if and when the Village no longer remains an obligated person with respect to the Notes within the meaning of the Rule. The Village acknowledges that its undertaking pursuant to the Rule described under this

heading is intended to be for the benefit of the holders of the Notes (including holders of beneficial interests in the Notes). The right of holders of the Notes to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the Village's obligations under its material events notices undertaking and any failure by the Village to comply with the provisions of the undertaking will neither be a default with respect to the Notes nor entitle any holder of the Notes to recover monetary damages. A Material Event Notices Certificate to this effect shall be provided to the purchaser at closing.

The Village is exempt from filing continuing disclosure under Rule 15c2-12 as the Notes have a maturity of eighteen months or less.

Continuing Disclosure Compliance History

Since 2007, there have been in excess of 50 rating actions reported by Moody's Investors Service, Standard & Poor's Rating Corporation and Fitch Ratings affecting the municipal bond insurance companies, some of which had insured bonds previously issued by the Village. Due to widespread knowledge of these rating actions, material event notices were not filed by the Village in such instances.

The Village's 2013 and 2014 audit and accompanying annual financial information and operating data were filed late. The late filings were due to a misunderstanding of the required filing date, which was believed to be not later than the succeeding fiscal year.

The independent audit report for the fiscal years ended May 31, 2015 and 2016 were not complete by the required continuing disclosure filing date. As such, the reports were not filed in accordance to the prescribed timeline. The audited financial statements were promptly filed by the Village once they became available. Notices of the late filings were subsequently posted by the Village on March 15, 2016 and October 17, 2017, respectively. Operating data for the 2015 and 2016 fiscal years was posted in a timely fashion.

The Village is in compliance in all other respects with all previous undertakings made pursuant to the Rule 15c2-12 during the last five years.

MUNICIPAL ADVISOR

Capital Markets Advisors, LLC, Hopewell Junction, New York, (the "Municipal Advisor") is an independent municipal advisor registered with the United States Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor has served as the independent financial advisor to the Village in connection with this transaction.

In preparing the Official Statement, the Municipal Advisor has relied upon governmental officials, and other sources, who have access to relevant data to provide accurate information for the Official Statement. The Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Municipal Advisor is not a public accounting firm and has not been engaged by the Village to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Municipal Advisor is not a law firm and does not provide legal advice with respect to this or any debt offerings of the Village. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Notes.

RATING

The Village did not apply for a rating of the Notes.

The Village's underlying rating by Moody's Investors Service ("Moody's") is "A1." Such rating reflects only the views of such rating agency and any desired explanation of the significance of such rating should be obtained from Moody's at the following address: Moody's Investors Service, 7 World Trade Center

at 250 Greenwich Street, New York, New York 10007. There can be no assurance that such rating will continue for any specified period of time or that such rating will not be revised or withdrawn, if in the judgment of Moody's, circumstances so warrant. Any such change or withdrawal of such rating may have an adverse effect on the market price of the Notes or the availability of a secondary market for the Notes.

ADDITIONAL INFORMATION

Additional information may be obtained from Sara DiGiacomo, Village Treasurer, 28 Beekman Avenue, Sleepy Hollow, New York 10591, (914) 366-5144, or from the Village's Municipal Advisor, Capital Markets Advisors, LLC, 1075 Route 82, Suite 4, Hopewell Junction, New York, (845) 227-8678.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized. This Official Statement is not to be construed as a contract or agreement between the Village and the original purchasers or holders of any of the Notes.

The Law Offices of Jeffrey E. Storch has not participated in the preparation of the demographic, financial or statistical data contained in this Official Statement, nor verified the accuracy, completeness of fairness thereof, and, accordingly expresses no opinion with respect thereto.

Capital Markets Advisors, LLC may place a copy of this Official Statement on its website at www.capmark.org. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Capital Markets Advisors, LLC has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the Village nor Capital Markets Advisors, LLC assumes any liability or responsibility for errors or omissions on such website. Further, Capital Markets Advisors, LLC and the Village disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Capital Markets Advisors, LLC and the Village also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

This Official Statement is submitted only in connection with the sale of the Notes by the Village and may not be reproduced or used in whole or in part for any other purpose.

VILLAGE OF SLEEPY HOLLOW,
WESTCHESTER COUNTY, NEW YORK

By: _____
Sara DiGiacomo
Treasurer and Chief Fiscal Officer

DATED: October 30, 2017

THIS PAGE INTENTIONALLY LEFT BLANK

APPENDIX A

THE VILLAGE

THIS PAGE INTENTIONALLY LEFT BLANK

THE VILLAGE

There follows in this Official Statement a brief description of the Village, together with certain information concerning its governmental organization, revenues and expenditures, indebtedness and economy.

General Information

The Village was incorporated as a municipal government by the State in 1874. The Village is vested with such powers and has the responsibilities inherent in the operation of municipal government, including the adoption of rules and regulations to govern its affairs. In addition, the Village may tax real property situated in its boundaries and incur debt subject to the provisions of the State's Local Finance Law. There are two independent public school districts (Tarrytown U.F.S.D. and Pocantico Hills C.S.D.) situated in the Village that possess the same powers with respect to taxation and debt issuance. Village residents also pay real property taxes to the Town of Mount Pleasant (the "Town") and the County of Westchester to support programs conducted by these governmental entities.

Government operations of the Village are subject to the provisions of the State Constitution and various statutes affecting village governments, including the Village Law, the General Municipal Law and the Local Finance Law. Real property assessment, collection, and enforcement procedures are determined by the Real Property Tax Law and the County Tax Code. Real property taxes are levied and become a lien on June 1. The Village bills, collects and enforces its own real property taxes (see "Tax Collection Procedure" herein).

Form of Government

The Board of Trustees (the "Board") is the legislative, appropriating, governing and policy determining body of the Village and consists of six trustees elected at large to serve a two-year term, plus the Mayor. Trustees may be elected to an unlimited number of terms. It is the responsibility of the Board to enact, by resolution, all legislation including ordinances and local laws. Annual operating budgets for the Village must be approved by the Board; modifications and transfers between budgetary appropriations also must be authorized by the Board. The original issuance of all Village indebtedness is subject to approval by the Board.

The Mayor is the Chief Executive Officer of the Village and is elected for a two-year term of office with the right to succeed himself. In addition, the Mayor is a full member of and the presiding officer of the Board.

The Village Board appoints a Village Administrator who is responsible for managing daily operations.

The Village Clerk is appointed by the Mayor, subject to confirmation by the Board, to serve a two-year term.

The responsibilities of the Clerk are many and varied. The Clerk has custody of the corporate seal, books, records, and papers of the Village, and all the official reports and communications of the Board, and is clerk to the Board and each board of village officers and keeps the records of their proceedings. The Village Clerk is responsible for maintaining the Village code of laws and ordinances as it relates to the codes for building, plumbing, electric, zoning, vehicle and traffic regulations, and general ordinances.

The Village Treasurer is the chief fiscal officer of the Village. Duties include: maintaining the Village's accounting systems and records, which includes the responsibility to prepare and file an annual financial report with the State Comptroller, custody and investment of Village funds, and debt management.

Services and Programs

The Village provides its residents with many of the services traditionally provided by village governments. In addition, the Town and County furnish certain other services. A list of these services provided by the Village are as follows: police protection and law enforcement; fire protection; sewage collection services; refuse collection and incineration; highway and public facilities maintenance; a local justice court that is responsible for enforcing provisions of the State's Vehicle and Traffic Law and local ordinances as well as having jurisdiction over certain civil and criminal matters; cultural and recreational activities; building code enforcement; and planning and zoning administration. Ambulance service is furnished through contract and also by a volunteer ambulance company.

Pursuant to State law, the County is responsible for funding and providing various social service and health care programs such as Medicaid, aid to families with dependent children, home relief and mental health programs. The County is also responsible for certain sewer services for which purpose special districts have been established. In addition, the County operates a two-year community college which offers associate degrees in various fields of study.

Employees

The Village provides services through approximately 104 full-time and part-time employees. The following table shows employee representation by collective bargaining agent and the date of expiration of the respective collective bargaining agreements.

<u>Employees Represented</u>	<u>Bargaining Agent</u>	<u>Contract Expiration Date</u>
29	Local 456, International Brotherhood of Teamsters, Chauffeurs, Warehousemen And Helpers of America	5/31/17 ⁽¹⁾
25	North Tarrytown PBA, Inc.	5/31/18
30	Local 456, White Collar Unit	N/A ⁽²⁾

(1) In negotiation.

(2) New union to be formed. The number of employees represented is anticipated to be approximately 30 (10 full-time employees and 20 part-time employees).

Source: Village officials.

Employee Benefits

Substantially all employees of the Town are members of the New York State and Local Employees Retirement System (“ERS”) or the New York State and Local Police and Fire Retirement System (“PFRS”) (ERS and PFRS are referred to collectively hereinafter as the “Retirement System” where appropriate). The Retirement System is a cost-sharing multiple employer retirement system. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement and Social Security Law (the “Retirement System Law”). The Retirement System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service, except for members hired on or after January 1, 2010 whose benefits vest after ten years of credited service. The Retirement System Law generally provides that all participating employers in the Retirement System are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement System. The Retirement System is non-contributory with respect to members hired prior to July 27, 1976. All members hired on or after July 27, 1976 through and including December 31, 2009, must contribute three percent of their gross annual salary toward the costs of retirement programs until they attain ten years in the Retirement System, at such time contributions become voluntary. Members hired on or after January 1, 2010 must contribute three or more percent of their gross annual salary toward the costs of retirement programs for the duration of their employment.

Additionally, on March 16, 2012, the Governor signed into law the new Tier 6 pension program, effective for new ERS employees hired after April 1, 2012. The Tier 6 legislation provides, among other things, for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for final average salary calculation from 3 years to 5 years. Tier 6 employees will vest in the system after ten years of employment and will continue to make employee pension contributions throughout employment.

Police officers and firefighters who are members of PFRS are divided into four tiers. As with ERS, retirement benefit plans available under PFRS are most liberal for Tier 1 employees. The plans adopted for PFRS employees are noncontributory for Tier 1 and Tier 2 employees. Police officers and firefighters that were hired between July 1, 2009 and January 8, 2010 are currently in Tier 3, which has a 3% employee contribution rate by members. There is no Tier 4 in PFRS. Police officers and firefighters hired after January 9, 2010 are in Tier 5 which also requires a 3% employee contribution from members. Police officers and firefighters hired after April 1, 2012 are in Tier 6, which also originally had a 3% contribution requirement for members for FY 12-13; however, as of April 1, 2013, Tier 6 PFRS members are required to contribute a specific percentage of their annual salary, as follows, until retirement or until the member has reached 32 years of service credit, whichever occurs first: \$45,000.00 or less contributes 3%; \$45,000.01 to \$55,000.00 contributes 3.5%; \$55,000.01 to \$75,000.00 contributes 4.5%; \$75,000.01 to \$100,000.00 contributes 5.75%; and more than \$100,000.00 contributes 6%.

Beginning July 1, 2013, a voluntary defined contribution plan option was made available to all unrepresented employees of New York State public employers hired on or after that date, and who earn \$75,000 or more on an annual basis.

The New York State Retirement System allows municipalities to make employer contribution payments in December of each year, at a discount, or the following February, as required. The Village generally opts to make its pension payments in December in order to take advantage of the discount and anticipates making its upcoming payment in December for the current year.

The State Legislature enacted Chapter 260 of the Laws of 2004. This chapter authorized local governments to amortize the portion of their respective 2005 contribution which exceeded 9.5% of covered payroll, over a ten year period, commencing in 2006. The amortization payment would include interest at 5% per annum. The Village elected to amortize the maximum allowable ERS and PFRS contributions which aggregated \$26,677 for ERS and \$100,920 for PFRS. Including interest, the required ERS and PFRS payments on the amortized amount for 2016 was \$3,455 and \$13,069, respectively. The 2016 payments fulfilled the obligation due on the amortization of the 2005 contribution.

The 2010 State-wide Retirement Incentive Program enacted under Chapter 105 of the Laws of 2010 authorized local municipalities to offer employees a retirement incentive. Under Part A of the plan, eligible employees would be granted one month of additional service credit for each year of service up to 36 years. The estimated cost of the program will be approximately 60% of the employee's final average salary. The Village elected to pay this obligation over a five year period with interest. The Villages ERS payment required on the amortized portion for 2016 was \$38,279, which included interest. The payment fulfilled the Village's obligation due on the amortization of the 2010 contribution.

The State Legislature enacted Chapter 57 of the Laws of 2010. This chapter authorized local governments, at their option, to amortize a portion of their ERS and PFRS contributions beginning in 2014. The maximum amortization amount each year going forward is determined by the difference between each employer's effective contribution rate as compared to the System's overall graded rate. The amortized amounts are paid in equal annual installments over a ten-year period, although amounts may be prepaid at any time. Interest is charged at rates which approximate a market rate of return on taxable fixed rate securities of a comparable duration and are adjusted annually. The Village elected to amortize the maximum allowable ERS and PFRS contributions in the amount of \$715,756, requiring annual installments of \$88,711. The balances due at May 31, 2016 totaled \$577,736.

Village officials have indicated they do not reasonably anticipate amortizing ERS or PFRS contributions in the foreseeable future.

In Spring 2013, the State and ERS approved a Stable Contribution Option ("SCO"), which modified its existing SCO adopted in 2010, that gives municipalities the ability to better manage spikes in Actuarially Required Contribution rates ("ARCs"). The plan allows municipalities to pay the SCO amount in lieu of the ARC amount. The Village pays its ERS and PFRS contributions on a pay as you go basis and does not expect to participate in the SCO in the foreseeable future.

For State Fiscal Year 2016-17, the average contribution rates decreased for the third year in a row. ERS will decreased by 2.7% of payroll, from 18.2% to 15.5% and the average contribution rate for PFRS decreased by approximately .4% of payroll from 24.7% to 24.3%. For the State Fiscal Year 2017-18, the contribution rates for ERS and PFRS remain unchanged at the 2016-17 levels. Projections of required contributions will vary by employer depending on factors such as retirement plans, salaries and the distribution of their employees among the six retirement tiers.

ERS and PFRS Contributions.

The current retirement expenditures presented in the Village’s financial statements for each of the last five audited fiscal years is shown in the following table. Also included is the unaudited expenditures for the 2017 fiscal year.

Fiscal Year Ended May 31:	ERS	PFRS
2012	\$541,673	\$598,891
2013	611,378	814,945
2014	552,065	778,995
2015	750,432	873,092
2016	721,175	857,882
2017 (Unaudited)	743,726	872,339

Source: Village officials and the Audited Financial Statements of the Village. The summary itself is not audited.

For the 2017-18 fiscal year, the Village’s adopted budget included appropriations of \$1,830,000 for the NY State retirement system.

Other Postemployment Benefits

GASB Statement No. 45 (“GASB 45”) of the Governmental Accounting Standards Board (“GASB”) requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits (“OPEB”). GASB 45 generally requires that employers account for and report the annual cost of the OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Under previous rules, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements. Only current payments to existing retirees were recorded as an expense.

GASB 45 requires that state and local governments adopt the actuarial methodologies to determine annual OPEB costs. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due.

Under GASB 45, based on actuarial valuation, an annual required contribution (“ARC”) is determined for each state or local government. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

GASB 45 does not require that the unfunded liabilities actually be funded, only that the Village account for its unfunded accrued liability and compliance in meeting its ARC. Actuarial valuation is required every two years for the Village. The Village’s funding policy is to contribute the current annual premium (net of employee contributions) for retired participants (i.e. pay-as-you-go). Current New York State law does not permit municipalities to pre-fund medical benefit obligations. For the 2015-16 fiscal year, the Village contributed \$810,000. See “Notes to Financial Statements- Note 3” on page 44 of the audited financial statements for the fiscal year ended May 31, 2016.

The Village is in compliance with the requirements of GASB 45. The Village has determined that its unfunded actuarial accrued liability (“UAAL”) for OPEB as of June 1, 2015 was \$25,960,000. For the year ended May 31, 2016, the Village's ARC was \$2,280,000. The Village's unfunded actuarial accrued OPEB liability could have a material adverse impact upon the Village's finances and could force the Village to reduce services, raise taxes or both. See “Notes to Financial Statements- Note 3” on page 44 of the audited financial statements for the fiscal year ended May 31, 2016

FINANCIAL FACTORS

Budgetary Procedure

The head of each administrative unit of the Village is required to file detailed estimates of revenues (other than real property taxes) and expenditures for the next fiscal year with the Budget Officer (the Village Mayor) on or before March 1st of each year. After reviewing these estimates, the Budget Officer prepares a tentative budget which includes his recommendations. The tentative budget is filed with the Village Clerk not later than March 20th. Subsequently, the Village Clerk presents the tentative budget to the Board at a regular or special meeting. Review and preliminary alteration of the tentative budget by the Board must be completed by March 31st. Following this review process, the tentative budget and such modifications, if any, as approved by the Board, become the preliminary budget. A public hearing on the preliminary budget, notice of which must be given at least five (5) days prior to the hearing, must be held not later than April 15th. After the public hearing, the Board may further change and revise the preliminary budget. The Board must adopt the preliminary budget as submitted or amended by May 1st, at which time the preliminary budget becomes the annual budget of the Village for the ensuing fiscal year. Budgetary control is the responsibility of the Village Treasurer.

A summary of the adopted budgets for the 2016-17 and 2017-18 fiscal years are included in Appendix B of this Official Statement. Full copies of the budgets may be obtained by request from the Village or from the Village's Municipal Advisor.

Independent Audits

Audited Financial Statements. The Village retained the firm of PKF O'Connor Davies, LLP, Certified Public Accountants, to audit its financial statements for the fiscal year ended May 31, 2016. Appendix B, attached hereto, presents excerpts from the Village's most recent audited reports covering the last five fiscal years and unaudited information for the most recent completed fiscal year. However, the summary itself has not been audited or reviewed by the Village's auditor.

In addition, the Village is subject to audit by the State Comptroller to review compliance with legal requirements and the rules and regulations established by the State. See “The State Comptroller's Fiscal Stress Monitoring System and Compliance Reviews” herein. Appendix C contains a link to the 2016 fiscal year end audit.

Financial Reporting and Summary of Significant Accounting Policies

Statement of Net Position. The statement of net position shows a total net position (Primary Governmental Activities) of positive \$9,774,691 at May 31, 2016. Net position is comprised of: net investment in capital assets of \$14,215,724, restricted assets of \$4,652,451, and unrestricted assets of negative \$9,093,484. Net position for the year ended May 31, 2015 was \$8,481,709.

See “Summary of Significant Accounting Policies” and “Statement of Net Position,” of the audited financial statements for the year ended May 31, 2016.

Investment Policy

Pursuant to Section 39 of the State's General Municipal Law, the Village has an investment policy applicable to the investment of all moneys and financial resources of the Village. The responsibility for the investment program has

been delegated by the Board to the Chief Financial Officer who was required to establish written operating procedures consistent with the Village's investment policy guidelines. According to the investment policy of the Village, all investments must conform to the applicable requirements of law and provide for: the safety of the principal; sufficient liquidity; and a reasonable rate of return.

Authorized Investments. The Village has designated five banks or trust companies located and authorized to conduct business in the State to receive deposits of money. The Village is permitted to invest in special time deposits or certificates of deposit.

In addition to bank deposits, the Village is permitted to invest moneys in direct obligations of the United States of America, obligations guaranteed by agencies of the United States where the payment of principal and interest are further guaranteed by the United States of America and obligations of the State. Other eligible investments for the Village include: revenue and tax anticipation notes issued by any municipality, school district or district corporation other than the Village (investment subject to approval of the State Comptroller); obligations of certain public authorities or agencies; obligations issued pursuant to Section 109(b) of the General Municipal Law (certificates of participation) and certain obligations of the Village, but only with respect to moneys of a reserve fund established pursuant to Section 6 of the General Municipal Law. The Village may also utilize repurchase agreements to the extent such agreements are based upon direct or guaranteed obligations of the United States of America. Repurchase agreements are subject to the following restrictions, among others: all repurchase agreements are subject to a master repurchase agreement; trading partners are limited to banks or trust companies authorized to conduct business in the State or primary reporting dealers as designated by the Federal Reserve Bank of New York; securities may not be substituted; and the custodian for the repurchase security must be a party other than the trading partner. All purchased obligations, unless registered or inscribed in the name of the Village, must be purchased through, delivered to and held in the custody of a bank or trust company located and authorized to conduct business in the State. Reverse repurchase agreements are not permitted under State law.

Collateral Requirements. All Village deposits in excess of the applicable insurance coverage provide by the Federal Deposit Insurance Act must be secured in accordance with the provisions of and subject to the limitations of Section 10 of the General Municipal Law of the State. Such collateral must consist of the "eligible securities," "eligible surety bonds" or "eligible letter of credit" as described in the Law.

Eligible securities pledged to secure deposits must be held by the depository or third party bank or trust company pursuant to written security and custodial agreements. The Village's security agreements provide that the aggregate market value of pledged securities must equal or exceed the principal amount of deposit, the agreed upon interest, if any, and any costs or expenses arising from the collection of such deposits in the event of a default. Securities not registered or inscribed in the name of the Village must be delivered, in a form suitable for transfer or with an assignment in blank, to the Village or its designated custodial bank. The custodial agreements used by the Village provide that pledged securities must be kept separate and apart from the general assets of the custodian and will not, under any circumstances, be commingled with or become part of the backing for any other deposit or liability. The custodial agreement must also provide that the custodian shall confirm the receipt, substitution or release of the collateral, the frequency of revaluation of eligible securities and the substitution of collateral when a change in the rating of a security may cause ineligibility.

An eligible irrevocable letter of credit may be issued, in favor of the Village, by a qualified bank other than the depository bank. Such letters may have a term not to exceed 90 days and must have an aggregate value equal to 140% of the deposit obligations and the agreed upon interest. Qualified banks include those with commercial paper or other unsecured or short-term debt ratings within one of the three highest categories assigned by at least one nationally recognized statistical rating organization or a bank that is in compliance with applicable Federal minimum risk-based capital requirements.

An eligible surety bond must be underwritten by an insurance company authorized to do business in the State which has claims paying ability rated in the highest rating category for claims paying ability by at least two nationally recognized statistical rating organizations. The surety bond must be payable to the Village in an amount equal to 100% of the aggregate deposits and the agreed interest thereon.

Revenues

The Village derives its revenues primarily from real property taxes and special assessments, State aid and departmental fees and charges. A summary of such revenues for the fiscal years 2012-2016 is presented in Appendix B, hereto. Information for said fiscal years has been excerpted from the Village’s audited financial reports, however, such presentation has not been audited.

Property Taxes. The Village derives a major portion of its revenues from a tax on real property (see “Statement of Revenues, Expenditures and Changes in Fund Balance” in Appendix B). Property taxes accounted for approximately 67.9% of General Fund revenue for the fiscal year ended May 31, 2016, excluding other financing sources.

The following table sets forth General Fund revenue and real property taxes received for each of the past five audited fiscal years and the amounts budgeted for the two most recent fiscal years.

General Fund Revenue & Real Property Taxes

<u>Fiscal Year Ended May 31:</u>	<u>General Fund Revenue ⁽¹⁾</u>	<u>Real Property Taxes</u>	<u>Taxes to Revenue</u>
2012	\$12,648,964	\$9,202,001	72.8%
2013	13,127,658	9,332,932	71.1
2014	14,376,305	10,039,274	69.8
2015	14,507,801	10,514,016	72.5
2016	18,061,190	12,264,499	67.9
2017 (Budget)	15,927,595	12,038,678	75.6
2018 (Budget)	16,082,951	12,206,407	75.9

(1) Excludes other financing sources.

Source: The Audited Financial Statements and the 2017 and 2018 Adopted Budgets of the Village. The summary itself is not audited.

State Aid. The Village receives financial assistance from the State. State aid (\$327,297) accounted for approximately 2.1% of the General Fund revenue during the 2016 fiscal year. A substantial portion of the State aid received is directed to be used for specific programs. If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the Village, in any year or future years, the Village may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, if the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Village, may be affected by a delay in the payment of State aid.

The State is not constitutionally obligated to maintain or continue State aid to the Village. No assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the Village, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures. (See also “MARKET FACTORS,” herein.)

(The remainder of this page has been left intentionally blank.)

The following table sets forth General Fund revenue and State aid revenue received for each of the past five audited fiscal years and the amounts budgeted for the two most recent fiscal years.

General Fund Revenue & State Aid Revenue

Fiscal Year Ended May 31:	General Fund Revenue ⁽¹⁾	State Aid	State Aid to Revenue
2012	\$12,648,964	\$212,034	1.7%
2013 ⁽²⁾	13,127,658	314,275 ⁽²⁾	2.4
2014	14,376,305	294,029	2.0
2015	14,507,801	267,033	1.8
2016	18,061,190	327,297	2.1
2017 (Budget)	15,927,595	239,684	1.5
2018 (Budget)	16,082,951	277,461	1.7

(1) Excludes other financing sources.

(2) Includes \$134,514 in Federal aid received from the Emergency Management Agency.

Source: The Audited Financial Statements and the 2017 and 2018 Adopted Budgets of the Village. The summary itself is not audited.

Sales Tax. The Village receives a share of the County sales tax. The County presently imposes a 1 ½% County-wide sales and use tax on all retail sales. Additionally, the State, effective May 1, 2005, imposes a 4% State sales tax and a 3/8% sales tax levied in the Metropolitan Transportation Authority District. The cities in the County have the power under State law to impose by local law and State legislative enactment their own sales and use taxes. At present, such taxes are imposed at a rate of 2½% in the Cities of White Plains, Mount Vernon, New Rochelle, and Yonkers. The Cities of Rye and Peekskill do not impose such a sales tax.

In July 1991, the State Legislature authorized an additional 1% sales tax for the County to impose in localities other than cities which have their own sales tax. This additional 1% sales tax became effective on October 15, 1991 and has been extended through May 31, 2018. The additional 1% sales tax is to be apportioned between the County (33 1/3%), school districts in the County (16 2/3%) and towns, villages and cities in the County which have imposed sales taxes (50%).

In February of 2004, the State Legislature authorized an increase of ½% to the additional 1% 1991 sales tax. The County retains 70% of this amount, the municipalities 20% and the school districts 10%. This increase became effective March 1, 2004 and expires on May 31, 2018.

The following table sets forth General Fund revenue and sales taxes received for each of the past five audited fiscal years ended May 31 and the amounts budgeted for the two most recent fiscal years.

General Fund Revenue & Sales Tax

Fiscal Year Ended May 31:	General Fund Revenue ⁽¹⁾	Sales Tax	Sales Tax to Revenue
2012	\$12,648,964	\$1,301,801	10.3%
2013	13,127,658	1,335,728	10.2
2014	14,376,305	1,409,098	9.8
2015	14,507,801	1,415,103	9.8
2016	18,061,190	1,436,717	9.2
2017 (Budget)	15,927,595	1,425,000	9.0
2018 (Budget)	16,082,951	1,425,000	8.9

(1) Excludes other financing sources.

Source: The Audited Financial Statements and the 2017 and 2018 Adopted Budgets of the Village. The summary itself is not audited.

REAL PROPERTY TAXES

Assessed and Full Valuations

Taxable Assessed and Full Valuations

Fiscal Year Ending May 31:	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Taxable Assessed Valuation	\$ 245,054,055	\$ 244,123,060	\$ 262,880,541	\$ 265,179,107	\$ 265,687,431
State Equalization Rate ⁽¹⁾	26.80%	26.20%	24.05%	23.90%	21.76%
Full Valuation	\$ 914,380,802	\$ 931,767,404	\$1,093,058,383	\$1,109,536,013	\$1,220,990,302

(1) Determined by the Office of Real Property Tax Services (the "ORPTS").

Source: Village Officials.

See also "Tax Levy Limit Law."

Tax Collection Procedures

The collection and enforcement of real property taxes is governed by the Real Property Tax Law of the State as well as by the County Tax Code.

The Village is responsible for levying and collecting its own real property taxes. Taxes may be paid in two installments on June 1 and December 1. First installment taxes may be paid without penalty at any time during the month of June. There is no penalty for the December installment if that amount is paid prior to January 1. Late payments are assessed a 5% penalty for the first month or fraction thereof and 1% each month thereafter up to a maximum of 12%. The Village enforces delinquent Village real property taxes.

Town, County and school district taxes levied against real property in the Village are collected by the Town. The Town must remit the full amount of levy directly to the school districts and the County.

The following table sets forth the Village's tax levies and tax collection record.

Tax Levy and Collection Record

Fiscal Years Ended May 31:	Taxes Levied For Year	Current Taxes Collected	Delinquent Taxes Collected	Current Taxes To Levy	Current & Delinquent Taxes to Levy
2013	\$9,507,804	\$ 9,156,095	\$265,281	96.3%	99.1%
2014	9,804,637	9,682,515	448,404	98.8	103.3
2015	10,330,428	10,442,055	177,661	101.1	102.8
2016	11,846,289	12,180,832	866,534	102.8	110.1
2017	12,038,678	12,260,429	351,919	101.8	104.8
2018 ⁽¹⁾	12,206,407	6,291,641	-0-	51.5	51.5

(1) Reflect collections as of October 13, 2017.

Source: Village Officials.

Tax Rates

**Village Tax Rates Per \$1,000 of Assessed Valuation
2014-2018**

<u>FY Ending May 31:</u>	<u>Homestead Tax Rate</u>	<u>Non-Homestead Tax Rate</u>
2014	\$33.16	\$66.92
2015	35.01	71.27
2016	33.96	77.00
2017	33.61	87.19
2018	34.38	86.88

Source: Village Officials.

Property Tax Limit

In accordance with Article 8, Section 10 of the New York State Constitution, the amount of real property taxes that may be raised by the Village in any fiscal year is limited to two per centum (2%) of the five-year average full valuation of the taxable real estate of the Village plus: (1) the amounts required for principal and interest on all capital indebtedness, and (2) current appropriations for certain capital purposes.

The following table shows the Constitutional tax margin of the Village for the fiscal year ending May 31, 2016.

**Constitutional Tax Margin
For Fiscal Year 2017-18**

Average Full Valuation of Taxable Real Property	<u>\$1,001,028,831</u>
Constitutional Tax Limit (2% of Average Full Valuation)	<u>20,020,577</u>
Tax Levy	12,605,973
Exclusions From Tax Limit:	
Debt Service	<u>1,956,439</u>
Tax Levy Subject to Tax Limit	10,649,534
Tax Margin	<u><u>9,371,043</u></u>
Margin/Limit	<u><u>46.80%</u></u>

Source: The Constitutional Tax Limit Form for the year ending May 31, 2018.
See "Nature of Obligation – Tax Levy Limit Law"

Largest Taxpayers

Largest Taxpayers in the Village 2017-18

<u>Name</u>	<u>Property Use</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
Lighthouse Landing Ventures, LLC	Mixed Use	\$ 10,348,989	3.90%
Rockefeller Family	Real Estate	6,752,400	2.54
Consolidated Edison Co.	Utility	4,498,952	1.69
95 Beekman Avenue Assoc.	Apartments	2,921,200	1.10
Phelps Memorial Hospital	Hospital	2,129,000	0.80
Steven & Kent House, LLC	Private Residence	1,573,000	0.59
Rockefeller, Margareta	Private Residence	957,600	0.36
Rockefeller, Mark F.	Private Residence	846,200	0.32
Amelia Holdings Corp.	Apartments	615,600	0.23
Amenta Development Corp.	Real Estate	575,000	0.22
Total		<u>\$ 31,217,941</u>	<u>11.75%</u>

(1) The 2017-18 taxable assessed value of the Village is \$265,687,431.

Source: Village Officials.

VILLAGE INDEBTEDNESS

Constitutional Requirements

The New York State Constitution limits the power of the Village (and other municipalities and certain school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional limitations include the following, in summary form, and are generally applicable to the Village and its obligations.

Purpose and Pledge. Subject to certain enumerated exceptions, the Village shall not give or loan any money or property to or in aid of any individual or private corporation or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The Village may contract indebtedness only for a Village purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute or, in the alternative, the weighted average period of probable usefulness of the several objects or purposes for which it is contracted. No installment may be more than fifty per centum in excess of the smallest prior installment, unless the Village determines to issue a particular debt obligation amortizing on the basis of substantially level or declining annual debt service. The Village is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

Debt Limit. The Village has the power to contract indebtedness for any Village purpose so long as the principal amount thereof shall not exceed seven percentum of the average full valuation of taxable real estate of the Village, subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or

appropriations for current debt service. The constitutional method for determining full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the rate which such assessed valuation bears to the full valuation as determined by the ORPTS. The State Legislature is required to prescribe the manner by which such rate shall be determined. Average full valuation is determined by taking the sum of the full valuations of such last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

Statutory Procedure

In general, the State Legislature has authorized the power and procedure for the Village to borrow and incur indebtedness by the enactment of the Local Finance Law subject, of course, to the constitutional provisions set forth above. The power to spend money, however, generally derives from other law, including the Village Law and the General Municipal Law.

Pursuant to the Local Finance Law, the Village authorizes the incurrence of indebtedness, including bonds and bond anticipation notes issued in anticipation of such bonds, by the adoption of a resolution, approved by at least two-thirds of the members of the Village Board of Trustees, the finance board of the Village. Certain such resolutions may be subject to permissive referendum, or may be submitted to the Village voters at the discretion of the Village Board.

The Local Finance Law also provides for a twenty-day statute of limitations after publication of a bond resolution (in summary or in full), together with a statutory notice which, in effect, estops thereafter legal challenges to the validity of obligations authorized by such bond resolution, except for alleged constitutional violations.

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto.

Each bond resolution also authorizes the issuance of bond anticipation notes prior to the issuance of serial bonds. Statutory law in New York permits notes to be renewed each year provided that principal is amortized and provided that such renewals do not (with certain exceptions) extend more than five years beyond the original date of borrowing. However, notes issued in anticipation of the sale of serial bonds for assessable improvements are not subject to such five year limit and may be renewed subject to annual reductions of principal for the entire period of probable usefulness of the purpose for which such notes were originally issued. (See "Payment and Maturity" under "Constitutional Requirements.")

In addition, under each bond resolution, the Village Board of Trustees may delegate the power to issue and sell bonds and notes to the Treasurer, the chief fiscal officer of the Village.

In general, the Local Finance Law contains similar provisions providing the Village with power to issue general obligation revenue anticipation notes, tax anticipation notes, capital notes, deficiency notes and budget notes.

Constitutional Debt-Contracting Limitation

ORPTS annually establishes State equalization rates for all assessing units in the State, including the Village, which are determined by statistical sampling of market/assessment studies. The equalization rates are used in the calculation and distribution of certain state aids and are used by many localities in the calculation of debt contracting and real property taxing limitations. The Village has a debt contracting limitation equal to seven percent (7%) of average full valuation (See "Constitutional Requirements, Debt Limit," herein).

The Village determines the assessed valuation for taxable real properties. The ORPTS determines the assessed valuation of special franchises and the taxable ceiling of railroad property. Special franchises include assessments on certain specialized equipment of utilities under, above, upon or through public streets or public places. Certain properties are taxable for school purposes but exempt for Village purposes.

**Computation of Constitutional
Debt Contracting Limitation
As of October 16, 2017**

Fiscal Year Ending May 31:	Assessed Valuation	State Equalization Rate ⁽¹⁾	Full Valuation
2018	\$265,687,431	21.76%	\$ 1,220,990,302
2017	265,179,107	23.90	1,109,536,013
2016	262,880,541	24.05	1,093,058,383
2015	244,123,060	26.20	931,767,404
2014	245,054,055	26.80	914,380,802
Total Full Valuation			<u>\$5,269,732,904</u>
Five-Year Average Full Valuation			<u>1,053,946,581</u>
Debt Contracting Limitation: 7% of Five-Year Average Full Valuation			<u>\$ 73,776,260</u>

(1) Determined by The ORPTS.

Statutory Debt Limit and Net Indebtedness

**Statement of Debt Contracting Power
As of October 16, 2017 ⁽¹⁾**

	Amount	Percentage
Debt Contracting Limitation	<u>\$73,776,260</u>	<u>100.00%</u>
Gross Indebtedness:		
Serial Bonds	14,730,000	19.97
Bond Anticipation Notes	3,011,920	4.08
EFC Short Term Loan	3,843,798	5.21
	<u>21,585,718</u>	<u>29.26</u>
Less:		
Water Debt ⁽¹⁾	8,168,729	11.07
Budgetary Appropriations	-0-	
	<u>8,168,729</u>	<u>11.07</u>
Net Indebtedness	<u>13,416,989</u>	<u>18.19</u>
Debt-Contracting Margin	<u>\$60,359,271</u>	<u>81.81%</u>

(1) Of this amount, approximately \$3.8 million correlates to a short-term loan with the New York State Environmental Facilities Corporation.

Bond Anticipation Notes

The following table shows the amount of bond anticipation notes currently outstanding, the purpose for which they were issued, and respective dates of original issuance and next maturity. All such notes will be paid from budgetary appropriations or proceeds of the Notes.

Bond Anticipation Notes Outstanding
As of October 16, 2017

Original Issuance	Purpose	Maturity Date ⁽¹⁾	Amount Outstanding ⁽¹⁾
11/26/13	Traffic Signals	11/22/17	\$ 220,000
11/26/13	Machinery	11/22/17	57,000
11/26/13	Vehicles	11/22/17	56,467
11/26/13	Fire-fighting Apparatus	11/22/17	53,000
11/26/13	Park Improvements	11/22/17	27,000
11/26/13	Settled Claim	11/22/17	14,709
11/26/13	Dell Street Improvements	11/22/17	13,448
11/26/13	Ambulance	11/22/17	10,506
11/26/13	Emergency Medical Services Study	11/22/17	10,506
11/26/13	Computer Improvements	11/22/17	10,506
11/26/13	Parking Meters	11/22/17	5,254
11/26/13	Parking Meters	11/22/17	4,204
11/26/13	Parking Improvements	11/22/17	3,283
11/24/14	Machinery	11/22/17	957,580
11/24/14	Motor Vehicles	11/22/17	127,343
11/24/14	Fire Fighting Apparatus	11/22/17	45,750
11/24/14	HVAC	11/22/17	26,920
11/24/14	Ambulance Equipment	11/22/17	25,282
11/24/14	Planning - Street Improvements	11/22/17	22,065
11/24/14	Park Equipment	11/22/17	19,960
11/24/14	Communications Equipment	11/22/17	14,300
11/24/14	Planning - Energy Improvements	11/22/17	9,645
11/23/15	2016 Chevy G-4500 Ambulance	11/22/17	210,067
11/23/15	Marine Fire Boat	11/22/17	105,060
11/23/15	Remote Cameras	11/22/17	84,048
11/23/15	Turf Replacement	11/22/17	80,257
11/23/15	Police Vehicle - 1	11/22/17	54,631
11/23/15	Park Upgrades	11/22/17	52,530
11/23/15	Two Small Dump Trucks w/Plow & Spreader	11/22/17	52,530
11/23/15	F250 Pick-Up Truck with Plow	11/22/17	52,530
11/23/15	Electric Vehicle	11/22/17	35,720
11/23/15	Street Light Mechanisms	11/22/17	31,518
11/23/15	Chevy Equinox	11/22/17	31,062
11/23/15	Fleet Study	11/22/17	26,265
11/23/15	Fremont Pond Study and Remediation	11/22/17	26,265
11/23/15	Village Traffic Study	11/22/17	21,012
11/23/15	Office Cabinets	11/22/17	21,012
11/23/15	Mowers	11/22/17	21,012
11/23/15	Toughbooks, Computers, and Upgrades	11/22/17	17,335
11/23/15	HVAC Replacement	11/22/17	15,759
11/23/15	Charging Station for Electric Cars	11/22/17	15,759
11/23/15	Water Upgrade - Syphon Chamber	11/22/17	15,203
11/23/15	PD Policies	11/22/17	13,028
11/23/15	Motorola Minitor XI Pagers	11/22/17	5,674
11/22/16	Parking Meters	11/22/17	157,590
11/22/16	Vehicles	11/22/17	131,325
			\$ 3,011,920

(1) To be renewed at maturity with proceeds of the Notes and available funds. See "Authority for and Purpose of the Notes," herein.

In addition, in June of 2016, the Village closed on a short term financing with the New York State Environmental Facilities Corporation (the "EFC") in the amount of \$3,843,798 for a water project. Upon completion of the project, it is anticipated that the loan will be converted to long-term financing with the EFC.

Tax and Revenue Anticipation Notes

The Village has not issued tax anticipation notes or revenue anticipation notes in the last five years.

Trend of Capital Debt

**Capital Debt
2013-2017**

Fiscal Year Ended May 31:	Bonds	Bond Anticipation Notes	Total
2013	\$16,665,000	\$1,500,000	\$18,165,000
2014 ⁽¹⁾	15,380,000	7,935,000	23,315,000
2015 ⁽¹⁾	13,900,000	9,046,564	22,946,564
2016	12,750,000	9,702,903	22,452,903
2017 ⁽¹⁾	15,848,400	3,011,920 ⁽²⁾	18,860,320

(1) Exclusive of refunded debt- The bonds as of fiscal year ended May 31, 2014, \$15,380,000 includes \$3,325,000 of refunding bonds issued in fiscal year ended May 31, 2014.

(2) Exclusive of short-term EFC obligations.

Overlapping and Underlying Debt

**Statement of Direct and Overlapping Indebtedness
As of October 16, 2017**

Village Gross Direct Indebtedness	\$21,585,718
Village Exclusions and Deductions	<u>8,168,729</u>
Village Net Direct Indebtedness	<u>\$13,416,989</u>

Overlapping Units	Date of Report	Net Overlapping Debt	Percentage Applicable	Applicable Net Overlapping Debt
Westchester County	12-31-16	\$597,766,156	0.66%	\$ 3,945,257
Town of Mount Pleasant	06-16-17	24,110,885	11.26	2,714,886
Tarrytown UFSD	06-15-17	70,900,000	44.51	31,557,590
Pocantico Hills CSD	12-14-16	15,703,500	12.00	<u>1,884,420</u>
Total				<u>\$ 40,102,153</u>

Source: Data obtained from Officials Statements and annual filings posted to the Municipal Securities Rulemaking Board website.

(The remainder of this page has been left intentionally blank.)

Debt Ratios

The following table sets forth certain debt ratios based upon the Village's Direct and Overlapping Indebtedness as of October 16, 2017.

Net Direct and Overlapping Debt Ratios

	<u>Amount</u>	<u>Debt Per Capita ⁽¹⁾</u>	<u>Debt to Estimated Full Value ⁽²⁾</u>
Gross Direct Debt	\$21,585,718	\$2,117	1.77%
Net Direct Debt	13,416,989	1,316	1.10
Net Direct & Overlapping Debt	53,519,142	5,248	4.38

(1) The population of the Village is estimated to be 10,198 as of July 1, 2016 based on interim Census data.

(2) The estimated full valuation of taxable property for the 2017-18 fiscal year is \$1,220,990,302.

Authorized But Unissued Debt

The Village issues annually for capital improvement needs. Excluding the Notes, the Village has no authorized but unissued debt.

In June of 2016, the Village closed on a short-term financing with the New York State Environmental Facilities Corporation (the "EFC") in the amount of \$3,843,798 for a water project. Upon completion of the project it is anticipated that the loan will be converted to long-term financing with the EFC.

Debt Service Schedule

The following table shows the annual debt service requirements to maturity on the Village's outstanding general obligation bonded indebtedness.

Schedule of Debt Service Requirements ⁽¹⁾

Years Ending May 31:	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Cumulative Principal Paid</u>
2018 ⁽¹⁾	\$1,118,400	\$ 454,201	\$1,572,601	7.06%
2019	1,175,000	396,456	1,571,456	14.47
2020	1,200,000	369,968	1,569,968	22.04
2021	1,225,000	342,656	1,567,656	29.77
2022	1,260,000	314,155	1,574,155	37.72
2023	1,300,000	284,006	1,584,006	45.93
2024	1,320,000	251,721	1,571,721	54.25
2025	1,360,000	217,124	1,577,124	62.84
2026	665,000	188,680	853,680	67.03
2027	685,000	166,949	851,949	71.35
2028	710,000	143,874	853,874	
2029	735,000	119,018	854,018	
2030	760,000	92,321	852,321	
2031	790,000	63,930	853,930	
2032	240,000	45,680	285,680	
2033	250,000	38,205	288,205	
2034	250,000	30,455	280,455	
2035	260,000	22,420	282,420	
2036	270,000	13,805	283,805	
2037	275,000	4,675	279,675	
	<u>\$15,848,400</u>	<u>\$3,560,293</u>	<u>\$19,408,693</u>	

(1) As of October 3, 2017, the Village has paid \$1,180,400 in principal and \$249,423 in interest due on serial bonds for the fiscal year ending May 31, 2018.

ECONOMIC AND DEMOGRAPHIC DATA

The Village is located on the eastern bank of the Hudson River approximately 25 miles north of New York City in the Town of Mount Pleasant. The land area of the Village is approximately 2.3 square miles.

The Village is largely a suburban community, about two-thirds residential and one-third commercial and industrial in nature.

The following tables provide information regarding Village population, income and employment statistics.

Population

	<u>Population</u>				
	2000	2010	2015	<u>% Change</u>	
				2000-2010	2010-2015
Village	9,212	9,870	10,074	7.1%	2.1%
Town	43,221	43,724	44,528	1.2	1.8
County	923,459	949,113	967,315	2.8	1.9
State	18,976,457	19,378,102	19,673,174	2.1	1.5

Source: U.S. Department of Commerce, Bureau of the Census.

Income

The following table indicates comparative income statistics for the Village, Town, County and State.

	<u>Per Capita Money Income</u>		
	2010	2015	<u>% Change</u>
Village	\$35,455	\$37,170	4.8%
Town	48,825	47,484	(2.7)
County	47,814	48,885	2.2
State	30,948	33,236	7.4

Source: U.S. Department of Commerce, Bureau of the Census (American FactFinder). American Community Survey 5-Year Estimate.

Employment

As there are no comparable statistics for the Village, the tables below provide certain information about the labor force in the Town and comparative unemployment information.

Average Employed Civilian Labor Force 2000 - 2016

	2000	2010	2016	<u>% Change</u>	
				2000-2010	2010-2016
Town	20,300	20,400	21,100	0.5%	3.4%
County	445,400	443,500	459,000	(0.4)%	3.5%
State	8,718,700	8,769,700	9,121,300	0.6	4.0

Source: New York State Department of Labor.

Average Unemployment Rates

<u>Year</u>	<u>Town</u>	<u>County</u>	<u>State</u>	<u>United States</u>
2012	6.6%	7.3%	8.5%	8.1%
2013	5.8	6.3	7.7	7.4
2014	4.7	5.1	6.3	6.2
2015	4.2	4.6	5.3	5.3
2016	4.0	4.2	4.8	4.9
2017 ⁽¹⁾				
Jan	4.5	4.5	4.9	5.1
Feb	4.8	4.8	5.0	4.9
Mar	4.2	4.1	4.4	4.6
Apr	4.0	4.1	4.2	4.1
May	3.9	4.1	4.3	4.1
Jun	4.2	4.5	4.5	4.5
Jul	4.3	4.6	4.9	4.6
Aug	4.2	4.6	4.9	4.5

(1) Monthly Rates.

Source: New York State Labor Department and U.S. Bureau of Labor Statistics.

Major Private Sector Employers in the County

<u>Name Of Business</u>	<u>Nature Of The Business</u>
* Consolidated Edison	Utility services
Entergy Nuclear Northeast	Energy Provider
* IBM Corporation	Computer products and research services
ITT Corp	Water and fluid management
* MasterCard	Financial services
Pace University	Private university
* Pepsico, Inc.	Soft drinks and snack foods
Regeneron Pharmaceuticals Inc.	Pharmaceuticals
St. John's Riverside Hospital	Hospital and health care services
Westchester Medical Center	Hospital and health care services
White Plains Hospital	Hospital and health care services

* Headquarters or major branch operations in Westchester.

Source: Official Statement of Westchester County, dated April 1, 2016. Compiled by the Westchester Business Journal as of February 2016.

Housing Data

Housing Stock (2000 – 2015)

	<u>Number of Units</u>			<u>% Change</u>	
	<u>2000</u>	<u>2010</u>	<u>2015</u>	<u>2000-2010</u>	<u>2010-2015</u>
Village	3,253	3,637	3,821	11.8%	5.1%
Town	13,985	14,826	14,922	6.0	0.6
County	349,445	370,821	370,032	6.1	(0.2)
State	7,679,307	8,108,103	8,171,725	5.6	0.8

Source: U.S. Department of Commerce, Bureau of the Census.

Development Activities

The Village in conjunction with the Downtown Revitalization Corporation and the Chamber of Commerce has developed a strategy to revitalize the downtown business area of Sleepy Hollow in an effort to stimulate economic growth in the community. The strategy includes using grant money to help businesses renovate their store fronts, working with the banks to offer low interest loans to business owners, working on streetscape improvements, and having community events designed to attract business to the area. Already, the Village has organized a triathlon, a half marathon, a street fair, and a Halloween block party that showcase the diversity of the community and that bring thousands of people to the downtown. Efforts to increase tourism have been extremely successful with thousands of people visiting the Village.

Former General Motors Facility Site. This project calls for the redevelopment of 96 acres of waterfront property previously occupied by the General Motors (GM) Corporation. After completing an extensive and careful review, the site will be redeveloped with a new 140-room hotel, 132,000 square feet of commercial retail space, 35,000 square feet of office space, and 1,177 new residential dwelling units. The Village issued a special permit for this project, paving the way for redevelopment. The entire project will generate in excess of \$5 million in new revenues to the Village once fully built. The Village expects that General Motors will announce a developer within the upcoming months and that the sale of the property will soon follow. Sale of this site would immediately place the property on the Village tax rolls at a far higher rate than the current Payment In Lieu Of Taxes (PILOT) received from General Motors.

Municipal Reservoir Expansion. A project to expand the reservoir system was recently completed, with a ribbon cutting ceremony held in October of 2017. The new reservoir tripled the Villages storage capacity and compliances with NYS mandates. The new 1.6 million gallon water storage facility will allow for future development in the Village.

Loan Development Corporation. In 2014, the Village also created a local development corporation, the purpose of which, among other things, is to promote and support economic development opportunities in the Village and its surrounding communities.

END OF APPENDIX A

THIS PAGE INTENTIONALLY LEFT BLANK

APPENDIX B

UNAUDITED SUMMARY OF FINANCIAL STATEMENTS AND BUDGETS

THIS PAGE INTENTIONALLY LEFT BLANK

VILLAGE OF SLEEPY HOLLOW
BALANCE SHEET
GENERAL FUND
UNAUDITED PRESENTATION

AS OF MAY 31:

	2012	2013	2014	2015	2016
ASSETS					
Cash and Equivalents	\$ 293,862	\$ 925,254	\$ 3,982,002	\$ 4,146,882	\$ 6,193,332
Investments					
Taxes Receivable (net)	628,361	696,418	472,583	980,419	179,577
Other Receivables:					
Accounts (net)	1,006,011	108,878	112,628	161,872	103,971
State and Federal Aid	14,123	119,108	0	0	13,759
Due From Other Governments	272,735	267,552	288,718	288,997	344,633
Due From Other Funds	1,118,651	981,299	1,133,466	2,241,396	2,113,674
Advances to other funds	45,856	45,660	11,342	13,469	0
Prepaid Expenditures	166,819	176,952	193,037	226,638	77,656
Total Assets	\$ 3,546,418	\$ 3,321,121	\$ 6,193,776	\$ 8,059,673	\$ 9,026,602
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts Payable	\$ 856,664	\$ 852,442	\$ 281,042	\$ 258,201	\$ 280,379
Accrued Liabilities	495,007	418,644	693,870	738,927	658,212
Due To Other Funds	602,408	551,092	2,998,253	4,581,750	3,076,709
Due To Component Unit	0	0	0	34,103	55,848
Unearned Revenues	0	8,344	5,095	2,400	19,326
Bond Anticipation Notes	0	0	36,771	29,417	22,063
Total Liabilities	1,954,079	1,830,522	4,015,031	5,644,798	4,112,537
Deferred Inflows of Resources					
Deferred Tax Revenues	0	0	471,455	655,099	179,577
Total Liabilities & Deferred Inflows of Resources	1,954,079	1,830,522	4,486,486	6,299,897	4,292,114
Fund Balance:					
Nonspendable	212,675	222,612	204,379	240,107	77,656
Restricted	349,806	350,156	350,506	365,017	2,105,042
Assigned	30,211	30,211	30,211	30,211	30,211
Unassigned	480,097	212,537	1,122,194	1,124,441	2,521,579
Total Fund Balance	1,072,789	815,516	1,707,290	1,759,776	4,734,488
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 3,026,868	\$ 2,646,038	\$ 6,193,776	\$ 8,059,673	\$ 9,026,602

The financial data presented on this page has been excerpted from the audited financial statements of the Village.

Such presentation, however, has not been audited. Complete copies of the Village's audited financial statements are available upon request to the Village.

VILLAGE OF SLEEPY HOLLOW
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GENERAL FUND
UNAUDITED PRESENTATION

FISCAL YEAR ENDED MAY 31:

	2012	2013	2014	2015	2016
REVENUES:					
Real Property Taxes	\$ 9,202,001	\$ 9,332,932	\$ 10,039,274	\$ 10,514,016	\$ 12,264,499
Other Tax Items	662,967	717,629	926,010	755,833	806,583
Non-Property Taxes	1,551,890	1,617,904	1,690,811	1,689,835	1,700,666
Departmental Income	430,652	472,378	537,219	565,049	535,163
Intergovernmental Charges	14,123	14,360	13,768	13,768	13,759
Use Of Money And Property	74,774	72,966	88,055	101,264	103,901
Licenses And Permits	206,254	437,621	622,336	450,352	2,172,037
Fines and Forfeitures	99,582	112,438	92,426	53,856	54,276
Sale of Property and Compensation For Loss	10,093	0	0	0	30,066
State and Federal Aid	212,034	314,275	295,113	272,040	342,920
Miscellaneous	184,594	35,155	71,293	91,788	37,320
Total Revenues	12,648,964	13,127,658	14,376,305	14,507,801	18,061,190
EXPENDITURES:					
Current:					
General Government Support	2,640,470	2,066,725	2,104,102	2,189,556	2,341,992
Public Safety	3,990,339	4,009,653	4,050,719	4,064,909	4,612,692
Health	81,206	133,754	167,998	181,159	237,724
Transportation	1,020,015	1,189,602	1,209,900	1,232,866	1,181,869
Economic Opportunity & Develop.	98,441	79,710	67,477	119,913	226,305
Culture And Recreation	1,573,673	1,559,361	1,497,712	1,583,797	1,711,292
Home And Community Services	20,176	24,895	24,535	27,251	26,485
Employee Benefits	3,276,838	3,758,453	3,577,087	3,925,832	4,050,654
Refunding Bond Issuance Costs	0	0	77,966	0	0
Debt Service	1,729,112	1,497,132	1,646,250	1,764,853	1,452,960
Total Expenditures	14,430,270	14,319,285	14,423,746	15,090,136	15,841,973
Excess (Deficiency) of Revenues Over Expenditures	(1,781,306)	(1,191,627)	(47,441)	(582,335)	2,219,217
OTHER FINANCING SOURCES (USES):					
Bond Anticipations Notes Issued	344,086	0	70,494	0	0
Bonds Issued	590,000	0	0	0	0
Refunding Bond Issued	0	0	3,325,000	0	0
Payment to Refunded Bond Escrow Agent	0	0	(3,317,528)	0	0
Insurance Recoveries	164,733	103,646	82,327	74,436	118,580
Operating Transfers - In	901,000	960,708	940,404	809,786	1,025,305
Operating Transfers - Out (a)	(189,423)	(130,000)	(161,482)	(249,401)	(388,390)
Total Other Financing Sources	1,810,396	934,354	939,215	634,821	755,495
Net Change in Fund Balance	29,090	(257,273)	891,774	52,486	2,974,712
Fund Balances - Beginning - of Year	1,043,699	1,072,789	815,516	1,707,290	1,759,776
Prior Period Adjustments	0	0	0	0	0
Fund Balances - End of Year	\$ 1,072,789	\$ 815,516	\$ 1,707,290	\$ 1,759,776	\$ 4,734,488

The financial data presented on this page has been excerpted from the audited financial statements of the Village.

Such presentation, however, has not been audited. Complete copies of the Village's audited financial statements are available upon request to the Village.

VILLAGE OF SLEEPY HOLLOW
 FINAL ADOPTED BUDGET FOR OPERATING FUNDS
 YEAR ENDING MAY 31, 2017

	General Fund	Water Fund	Sewer Fund
ESTIMATED REVENUES:			
Real Property Taxes	\$ 12,038,678	\$ 0	\$ 0
Non-Property Tax Items	1,655,000	0	0
Other Tax Items	550,000	0	0
Departmental Income	559,610	3,718,000	619,645
Intergovernmental Charges	14,123	0	0
Use Of Money and Property	71,000	0	0
Licenses And Permits	636,500	0	0
Fines and Forfeitures	75,000	0	0
Sale Of Property and Compensation For Loss	75,000	0	0
Interfund Revenues		0	0
State Aid	239,684	0	0
Federal Aid	0	0	0
Miscellaneous	13,000	0	0
	15,927,595	3,718,000	619,645
APPROPRIATIONS:			
Current:			
General Government Support	2,654,564	96,000	25,000
Public Safety	4,566,282	0	0
Health	250,200	0	0
Transportation	1,223,496	0	0
Economic Assistant and Opportunity	103,700	0	0
Culture and Recreation	1,740,473	0	0
Home and Community Services	43,510	2,239,306	331,632
Employee Benefits	4,431,648	373,500	153,000
Debt Service	1,687,514	199,284	110,013
	16,701,387	2,908,090	619,645
Excess of Revenues Over Expenditures	(773,792)	809,910	0
OTHER FINANCING SOURCES (USES):			
Appropriated Fund Balance	0	0	0
Proceeds From Obligations	0	0	0
Operating Transfers - In	984,419	0	0
Operating Transfers - Out	(210,627)	(809,910)	0
	773,792	(809,910)	0
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ 0	\$ 0	0

Source: Adopted 2016-17 budget.

VILLAGE OF SLEEPY HOLLOW
FINAL ADOPTED BUDGET FOR OPERATING FUNDS
YEAR ENDING MAY 31, 2018

	General Fund	Water Fund	Sewer Fund
ESTIMATED REVENUES:			
Real Property Taxes	\$ 12,206,407	\$ 3,818,000	\$ 0
Non-Property Tax Items	550,000	0	0
Other Tax Items	1,655,000	0	0
Departmental Income	497,960	0	638,750
Intergovernmental Charges	14,123	0	0
Use Of Money and Property	80,000	0	0
Licenses And Permits	639,000	0	0
Fines and Forfeitures	75,000	0	0
Sale Of Property and Compensation For Loss	75,000	0	0
Interfund Revenues	934,216	0	0
State Aid	277,461	0	0
Federal Aid	0	0	0
Miscellaneous	13,000	0	0
	<u>17,017,167</u>	<u>3,818,000</u>	<u>638,750</u>
APPROPRIATIONS:			
Current:			
General Government Support	2,493,117	96,000	25,000
Public Safety	4,821,975	0	0
Health	263,200	0	0
Transportation	1,348,027	0	0
Economic Assistant and Opportunity	106,400	0	0
Culture and Recreation	1,741,225	0	0
Home and Community Services	43,510	2,116,793	340,154
Employee Benefits	4,487,500	473,000	159,000
Debt Service	1,605,741	350,698	106,876
	<u>16,910,695</u>	<u>3,036,491</u>	<u>631,030</u>
Excess of Revenues Over Expenditures	<u>106,472</u>	<u>781,509</u>	<u>7,720</u>
OTHER FINANCING SOURCES (USES):			
Appropriated Fund Balance	0	0	0
Proceeds From Obligations	0	0	0
Operating Transfers - In	0	0	0
Operating Transfers - Out	(106,473)	(781,509)	(7,720)
	<u>(106,473)</u>	<u>(781,509)</u>	<u>(7,720)</u>
Total Other Financing Sources (Uses)	<u>(106,473)</u>	<u>(781,509)</u>	<u>(7,720)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Source: Adopted 2017-18 budget.

APPENDIX C

**LINK TO
INDEPENDENT AUDITORS' REPORT
FOR THE FISCAL YEAR ENDED
MAY 31, 2016**

Can be accessed on the Electronic Municipal Market Access (“EMMA”) website
of the Municipal Securities Rulemaking Board (“MSRB”)
at the following link:

<https://emma.msrb.org/EP975443-EP756816-EP1158430.pdf>

The audited financial statements referenced above are hereby incorporated into the attached Official Statement.

*** Such Financial Statements and opinion are intended to be representative only as of the date thereof. PKF O'Connor Davies, LLP has not been requested by the Village to further review and/or update such Financial Statements or opinion in connection with the preparation and dissemination of this Official Statement.**

THIS PAGE INTENTIONALLY LEFT BLANK